

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2379 - HB 2590**

March 4, 2018

**SUMMARY OF BILL:** Prohibits an appointing authority from laying off or furloughing employees or reducing hours of employment for the reasons of efficiency or other material change in duties or organization.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Under current law, pursuant to Tenn. Code Ann. § 8-30-314(a), an appointing authority has the authority to layoff or furlough employees or reduce hours of employment for any of the following reasons: lack of funds; a reduction in spending authorization; lack of work; efficiency; or other material change in duties or organization.
- The proposed legislation removes such authorization for the reasons of efficiency or other material change in duties or organization.
- The number of employees that would be laid off, furloughed, or be subject to reduced hours for such reasons in future years is unknown. Further, the extent to which such actions could be taken against those employees for other reasons, such as lack of funds or lack of work, is unknown. Finally, the timing of such actions, as well as average salary and benefits of such employees are unknown. As a result, any impact on state expenditures associated with the proposed legislation cannot be quantified with reasonable certainty.
- However, it is assumed that appointing authorities will retain considerable discretion and flexibility in laying off or furloughing employees or reducing their hours of employment. For example, in an event of federal government shutdown, such appointing authorities could respond appropriately for the reason of lack of funds or lack of work.
- The fiscal impact associated with the proposed legislation could vary in any given year. However, it is reasonably estimated that any such fiscal impact can be considered not significant in the foreseeable future.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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